

## Message Text

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ACTION TRSE-00

INFO OCT-01 EA-12 NEA-10 ISO-00 IO-14 H-02 L-03 PRS-01  
PA-02 SP-02 USIA-15 AID-05 EB-08 NSC-05 SS-15  
STR-06 OMB-01 CEA-01 CIAE-00 COME-00 FRB-01  
INR-07 NSAE-00 XMB-04 OPIC-06 LAB-04 SIL-01 /126 W  
-----013723 140511Z /23

R 140405Z JAN 78  
FM AMEMBASSY MANILA  
TO SECSTATE WASHDC 354  
INFO AMEMBASSY DACCA

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PASS TREASURY FOR NACHMANOFF/BRADFORD  
FOR NAC AGENCIES

E.O. 11652: N/A  
TAGS: EAID, EFIN  
SUBJ: 1ST ASIAN DEVELOPMENT BANK SUB-REGIONAL SEMINAR ON  
2ND ASIAN AGRICULTURAL SURVEY

1. THE ASIAN DEVELOPMENT BANK CONDUCTED THE FIRST OF TWO  
SCHEDULED SUB-REGIONAL SEMINARS ON THE FINDINGS OF THE  
SECOND ASIAN AGRICULTURAL SURVEY FROM JAN 9 TO 13 IN  
MANILA/LOS BANOS IN THE PHILIPPINES. THE SECOND SEMINAR,  
WHICH WILL FOCUS ON SOUTH ASIA, IS TO BE HELD IN DACCA/  
COMILLA BANGLADESH JAN 23 TO 27.

2. THE PURPOSE OF BOTH SEMINARS IS TO EXAMINE THE FINDINGS  
OF THE SECOND ASIAN AGRICULTURAL SURVEY IN LIGHT OF THE  
SPECIFIC NEEDS AND CAPABILITIES OF THE BANK'S DEVELOPING  
MEMBER COUNTRIES AND IN THE LIGHT OF THE BANK'S FIRST TEN  
YEARS OF OPERATIONAL EXPERIENCE IN THE AGRICULTURAL SECTOR.  
SPECIFICALLY INSTITUTIONAL AND ADMINISTRATIVE CONSTRAINTS  
OF BOTH THE BORROWING COUNTRIES AND THE BANK WERE EXAMINED  
SO AS TO HIGHLIGHT CHANGES NECESSARY TO IMPLEMENT THE  
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AGRICULTURAL LENDING STRATEGY ADVOCATED IN THE SURVEY.

3. ALL THE BANK'S EAST AND SOUTHEAST ASIA DEVELOPING  
MEMBER COUNTRIES WERE INVITED TO THE MANILA/LOS BANOS  
SEMINAR AS WELL AS REPRESENTATIVES OF THE BANK'S  
DEVELOPED MEMBER COUNTRIES AND RELEVANT INTERNATIONAL  
ORGANIZATIONS. THE PARTICIPANTS FROM THE DEVELOPING

MEMBER COUNTRIES WERE SENIOR POLICY OFFICIALS FROM THE MINISTRIES OF AGRICULTURE, FINANCE AND PLANNING FROM KOREA, INDONESIA, THAILAND, THE PHILIPPINES, MALAYSIA AND SINGAPORE.

4. THE OPENING SESSIONS OF THE SEMINAR WERE HELD AT THE HEADQUARTERS OF THE ASIAN DEVELOPMENT BANK IN MANILA. THE FINAL FOUR DAYS OF THE SEMINAR WERE HELD IN LOS BANOS USING THE FACILITIES OF THE INTERNATIONAL RICE RESEARCH INSTITUTE (IRRI). PRESIDENT YOSHIDA OF THE ADB OPENED THE FIRST DAY'S ACTIVITIES WITH A BRIEF SPEECH IN WHICH HE OUTLINED THE ROLE THAT THE FIRST ASIAN AGRICULTURAL SURVEY PLAYED IN HELPING THE BANK FORMULATE ITS INITIAL LENDING POLICIES IN THE FIELDS OF AGRICULTURE AND RURAL DEVELOPMENT. HE WENT ON TO POINT OUT THE REASONS FOR THE BANK CONDUCTING A SECOND SURVEY IN LIGHT OF BOTH THE ADB'S, AND ITS DEVELOPING MEMBER COUNTRIES' DECADE OF OPERATIONAL EXPERIENCE IN THESE FIELDS.

5. THE FRANKNESS AND CANDOR OF PRESIDENT YOSHIDA'S REMARKS WERE APPLAUDED BY THE SEMINAR'S PARTICIPANTS. HE STATED THAT THE ADB NOW HAD QUOTE A CLEARER UNDERSTANDING OF OUR STRENGTHS AND LIMITATIONS AS A AGENT OF CHANGE IN THE REGION. WE ALSO APPRECIATE THE IMPORTANCE OF LOOKING WELL AHEAD AND ANTICIPATING UNCLASSIFIED

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WHERE EMERGING NEW CONSTRAINTS ON DEVELOPMENT WILL CALL FOR CHANGES OF EMPHASIS IN OUR ASSISTANCE PROGRAM. UNQUOTE. HE ALSO STATED THAT IF THE ADB WAS TO MAXIMIZE ITS CONTRIBUTION TO ECONOMIC DEVELOPMENT IN THE REGION IT MUST CONTINUE TO ASK AND ANSWER TWO QUESTIONS: QUOTE FIRST ARE THE ADB'S PRIORITIES IN ITS LOAN AND TECHNICAL ASSISTANCE OPERATIONS THE RIGHT ONES? SECOND, GIVEN THE LIMITATIONS ON A MULTILATERAL AID AGENCY'S FREEDOM OF ACTION, IS THE ADB AS EFFECTIVE AS IT MIGHT BE IN HELPING ITS MEMBER GOVERNMENTS IMPLEMENT DEVELOPMENT PROGRAMS TO SUPPORT THE AGREED PRIORITIES. UNQUOTE.

6. THE FIRST THREE WORKING SESSIONS WERE DEVOTED TO AN INTRODUCTION TO THE SEMINAR INCLUDING ITS PURPOSE AND FORMAT, AND TO A REVIEW OF THE MAIN FINDINGS OF THE SURVEY. THE FOURTH AND FIFTH SESSIONS CONCENTRATED ON APPROPRIATE STRATEGIES FOR AGRICULTURAL AND RURAL DEVELOPMENT. THE MAJOR ELEMENTS OF THE STRATEGIES HIGHLIGHTED DURING THESE SESSIONS WERE THE NEED TO FORMULATE AN APPROPRIATE CONCEPT OF RURAL DEVELOPMENT AND TO MAKE IT OPERATIONAL AT ALL LEVELS OF PLANNING AND ADMINISTRATION; THE NEED TO INDUCE CHANGE IN THE STRUCTURE AND FUNCTION

OF RURAL INSTITUTIONS (HERE LAND REFORM AND THE NEED TO INVOLVE THE BENEFICIARIES IN THE PLANNING PROCESS RECEIVED CONSIDERABLE ATTENTION);

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THE NEED TO GENERATE AND APPLY APPROPRIATE TECHNOLOGY FOR SMALL-SCALE AGRICULTURE IN ASIAN ENVIRONMENTS; THE NEED FOR POLICIES WHICH CORRECTLY CONDITION THE ECONOMIC ENVIRONMENT OF SMALL-SCALE AGRICULTURE; AND THE NEED TO CREATE ADEQUATE OFF-FARM EMPLOYMENT OPPORTUNITIES IN RURAL AREAS. ALSO CONSIDERED IN THESE SESSIONS WAS THE QUESTION OF REALIGNING NATIONAL DEVELOPMENT STRATEGIES SO THAT AGRICULTURE AND RURAL DEVELOPMENT ARE EFFECTIVELY INTEGRATED WITH THE ECONOMY-WIDE PLANNING PROCESS. HERE CONSIDERABLE ATTENTION WAS GIVEN TO THE ADMINISTRATIVE AND INSTITUTIONAL REQUIREMENTS AT THE CENTER AND AT LOCAL LEVELS, SECTORALLY AND REGIONALLY. IT IS NOTEWORTHY THAT IN THESE SESSIONS THE REPRESENTATIVES FROM THE BANK'S DEVELOPING MEMBER COUNTRIES COMPARED AND CONTRASTED THEIR METHODS FOR IMPLEMENTING THE PLANNING GOALS AT THE LOCAL LEVEL, TOGETHER WITH CANDID ACCOUNTING OF THEIR SUCCESSES AND FAILURES.

7. THE SIXTH AND SEVENTH SESSIONS CONCERNED THE INTEGRATION OF FOREIGN ASSISTANCE WITH NATIONAL EFFORTS TO PROMOTE AGRICULTURE AND RURAL DEVELOPMENT. ISSUES DISCUSSED DURING THE SESSIONS WERE: (1) HOW THE TRANSFER FUNCTION OF FOREIGN ASSISTANCE CAN BE MOST  
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EFFECTIVELY UTILIZED, (2) WHAT FORMS OF FOREIGN ASSISTANCE ARE OPTIMAL AND (3) WHETHER SUCH CHANGES AS ARE IDENTIFIED WERE FEASIBLE IN LIGHT OF PRESENT DAY REALITIES.

8. THE FINAL SESSIONS OF THE SEMINAR WERE DEVOTED TO CONSIDERATION OF THE ROLE OF RESEARCH IN AGRICULTURE AND RURAL DEVELOPMENT AND A DISCUSSION OF A DRAFT ADB POLICY PAPER ON AGRICULTURE AND RURAL DEVELOPMENT. THE DRAFT POLICY PAPER DEALT WITH IMPLEMENTATION OF THE SURVEY'S FINDINGS AT THE DEVELOPING MEMBER COUNTRY LEVEL AND AT THE OPERATIONAL LEVEL OF THE ADB. BASED ON DISCUSSIONS AND RECOMMENDATIONS OBTAINED AT THE TWO SEMINARS THIS PAPER WILL BE FINALIZED AND SUBSEQUENTLY PRESENTED TO THE BANK'S BOARD OF DIRECTORS AS THE POLICY BASIS FOR ITS FUTURE AGRICULTURE AND RURAL DEVELOPMENT ACTIVITIES. FROM THE PARTICIPANTS POINT OF VIEW THE MOST IMPORTANT PART OF THIS DRAFT PAPER DEALT WITH THE GUIDELINES FOR ADB OPERATIONS WHICH INCLUDED BASIC CRITERIA, MAJOR AREAS OF PROGRAM PROJECT SUPPORT, PRINCIPALE FEATURES OF PROGRAM/PROJECT DESIGN, AND COOPERATION AND COORDINATION OF OPERATIONS WITH OTHER AID AGENCIES. THE BANK'S DRAFT POLICY PAPER INCLUDED SOME CRITICISM OF ITS PAST PRACTICES INCLUDING EXCESSIVE CAPITAL INTENSITY OF SOME OF ITS PROJECTS AND AN ADMISSION THAT QUOTE TOO MUCH PRESSURE TO FULFILL ANNUAL LOAN TARGETS HAS LED TO THE INADEQUATE STUDY AND PREPARATION OF SOME PROJECTS. UNQUOTE. THIS FRANK PRESENTATION BY THE BANK TOGETHER WITH ITS SEEKING COMMENTS AND SUGGESTIONS REGARDING ITS OWN POLICY PAPER GAVE EVIDENCE OF THE SERIOUSNESS THE BANK IN ITS INTENTION TO REFORMULATE ITS OPERATIONAL POLICIES IN LIGHT OF THE SURVEY'S FINDINGS.

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## Message Attributes

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